

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, JUNE 21, 2006

4:00 P.M.

IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL

EAST GREENWICH, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chairman, James V. Rosati, at 4:10 p.m., in the Conference Room, at 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: James Rosati; James Forte; Robert Sangster; Kathleen Hittner, M.D.

BOARD MEMBERS ABSENT: Joseph Larisa; Michael Traficante; Joseph Cianciolo.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Brian Schattle, Senior Vice President of Finance and Administration/CFO; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Peter Frazier, Chief Legal Counsel (arrived at 5:30 p.m.); Richard Licht, Outside Legal Counsel (arrived at 5:30 p.m.); and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Dr. Hittner and seconded by Mr. Sangster to approve the minutes of the Board Meeting of May 17, 2006. The motion was passed unanimously.

2. Open Forum:

Mr. Rosati asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from President and CEO:

Mr. Brewer reported that passenger numbers for May were down 8.3%, and approximately 5.7% year to date. Mr. Brewer noted that this is a regional trend and that the Corporation is continuing its marketing efforts to attract more airlines.

Mr. Brewer gave a brief update on the repeal of the Wright Amendment.

Mr. Brewer reported that the Special Facility Bonds for the Intermodal project were recently sold, and the closing is scheduled for the week of June 26, 2006. It is anticipated that there will be a Groundbreaking Ceremony for the Intermodal project in July.

Mr. Brewer reported that negotiations have commenced with the union for a new Collective Bargaining Agreement. Mr. Brewer noted that the current agreement expires on June 30, 2006.

Mr. Brewer reported that interviews for the position of Senior Vice President of Planning, Engineering and Environmental will take place in early July. It is anticipated that a shortlist of candidates will be brought to the Board at the meeting on July 19, 2006.

Mr. Brewer gave a report of the federal grants that had been accepted by the Corporation.

Mr. Brewer reported that preliminary information had been received on the Economic Impact Study and that the final report would be released soon.

Mr. Brewer reported that the Air National Guard's Annual Airshow is scheduled for June 24 and June 25 at Quonset Airport.

Mr. Brewer took the opportunity to thank the staff for their work on the development of the FY2007 budget, and noted that the budget was on the consent agenda for approval.

4. Legislative Report:

Mr. Brewer reported that a summary of legislation was contained in the Board package.

5. Operations and Capital Committee Report:

Mr. Forte reported that the Operations and Capital Committee had met prior to the Board Meeting and there were items on the consent agenda for approval by the Board.

A motion was made by Mr. Sangster and seconded by Dr. Hittner to approve the items on the consent agenda. The motion was passed unanimously.

Consent Agenda:

(a) Consideration of and Action Upon Approval of a Consultant Contract Amendment for the Draft Environmental Impact Statement at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Vanasse, Hangen, Brustlin, Inc. (VHB) to provide services associated with the preparation of the Draft Environmental Impact Statement (DEIS) at T. F. Green Airport; and

WHEREAS, the DEIS team will hold an Agency meeting with the

Environmental Protection Agency (EPA), the Army Corps of Engineers and United States Fish & Wildlife (USFW) to discuss and determine the need of the proposed additional alternatives; and

WHEREAS, in an effort to keep the project on schedule, RIAC has requested and received a scope and fee from VHB to perform these additional services in the amount of \$266,575; and

WHEREAS, the project has been estimated in the RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$8,260,361; and

WHEREAS, this contract amendment will be funded with 2000 Airport Revenue Bond Funds; and

WHEREAS, RIAC will continue to pursue additional FAA Airport Improvement Program grants for this project.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to negotiate and execute a contract amendment with VHB for the inclusion of an additional alternative into the Draft Environmental Impact Statement (DEIS) at T. F. Green Airport in an amount not to exceed \$266,575, subject to Agency recommendation.

(b) Consideration of and Action Upon Award of Intermodal QTA Fueling System Design Consultant.

WHEREAS, the Rhode Island Airport Corporation (RIAC) and the Rhode Island Department of Transportation (RIDOT), as joint sponsors, have undertaken the design and development of the Warwick Intermodal Station; and

WHEREAS, design of the QTA Fueling System of the Intermodal facility requires certain technical knowledge and expertise from outside sources; and

WHEREAS, RIDOT, RIAC and the rental car companies (“Intermodal RACs”) have agreed that the Intermodal RACs will select a consultant to design the QTA Fueling System; approve the design of the QTA Fueling System; approve requests for proposals for a construction manager and/or contractor to construct the QTA Fueling System in accordance with RIAC’s procurement rules and regulations; approve the selection of the construction manager and/or contractor to construct the QTA Fueling System; operate and maintain the QTA Fueling System; and

WHEREAS, the Concession Agreement with the RACs establishes a \$12 million Tenant Improvement Fund to finance the design and construction of the fuel system; and

WHEREAS, proceeds from the TIFIA loan will be utilized for the Tenant Improvement Fund; and

WHEREAS, in accordance with the terms of the Concession Agreement with the Intermodal RACs and subject to the indemnity provisions contained therein, RIAC will administer the process of designing the Fuel System, including but not limited to the storage tank(s), fuel piping, valves, pumps and safety systems, and development of operating criteria and training for concurrence by the RI Fire Marshal; and

WHEREAS, the Intermodal RACs selected Jacques Whitford in response to RFP #20274 based upon the firm's qualifications and understanding of the Intermodal project and RIDOT and RIAC concur with that selection; and

WHEREAS, Jacques Whitford's proposal carried an associated cost of \$99,260 to develop the 30% QTA Fueling System Design.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Professional Service Agreement with Jacques Whitford for 30% Preliminary Design Services for the Intermodal Station QTA Fueling Facility.

6. Finance and Audit Committee Report:

Mr. Forte gave the Finance and Audit Report, and noted that the Committee had met on June 15, 2006 and at that meeting had reviewed the FY 2007 Budget, the FY 2007 Insurance Policies and Premiums, the Professional Services Agreement for the Oracle 11i upgrade and systems integration and the approved an amending and updating the ground transportation rules and regulation. Mr. Forte noted that all of these items were on the consent agenda for approval by the Board.

A motion was made by Mr. Sangster and seconded by Dr. Hittner to approve the items on the consent agenda. The motion was passed unanimously.

Consent Agenda:

(a) Consideration of and Action Upon Approval of Fiscal Year 2007 Budget.

This item was approved in substantially the form presented to the Board.

(b) Consideration of and Action Upon Approval of the Fiscal Year 2007 Insurance Policies and Premiums.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at the six Rhode Island airports; and

WHEREAS, RIAC carries Airport Owners and Operators Liability Insurance, Airport Owners and Operators Excess Premises Liability Insurance, Aircraft Hull and Liability Insurance, Property Insurance, Automobile Insurance, Inland Marine (Mobile Equipment) Insurance, Crime Insurance, Workers' Compensation and Employer's Liability Insurance and Directors and Officers Insurance policies; and

WHEREAS, RIAC's insurance policy periods are from June 30, 2005 through June 30, 2006, with the exception of Directors and Officers Insurance, which is September 30, 2005 through September 30, 2006; and

WHEREAS, the RIAC Board of Directors has previously approved RIAC's entering an agreement with AON Risk Services to provide insurance brokerage services at the January 26, 2005 Board of Directors meeting; and

WHEREAS, the RIAC Board of Directors has previously approved RIAC's entering an agreement with Albert Risk Management Consultants to provide insurance advisory services at the March 20, 2006 Board of Directors meeting; and

WHEREAS, RIAC has a fiscal year budget which provides funding for these policies through its Operating & Maintenance (O & M) budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to take the steps necessary to bind on RIAC's behalf the insurance program (policies and premiums) recommended by Aon Risk Services and Albert Risk Management Consultants, and approved by RIAC Management, provided such overall program falls within the aggregate Fiscal Year 2007 budget.

(c) Consideration of and Action Upon Award of a Professional Services Agreement for Oracle 11i Upgrade and Systems Integration.

WHEREAS, the current version of Rhode Island Airport Corporation's (RIAC's) Oracle financial systems is being de-supported in December, 2006; and

WHEREAS, RIAC owns perpetual licenses for Oracle financial systems, thus management has decided to upgrade from Oracle 10.7 to 11i; and

WHEREAS, this project will include the migration of existing Oracle finance applications to Oracle 11i with increased functionality and "seamless" integration with upgraded Airport Business Manager

(ABM) and Airport Project Manager (APM); and

WHEREAS, RIAC established a project management team to review its current systems, develop recommendations for enhancements, develop a Request For Proposals (RFP), and manage the implementation of recommended action items; and

WHEREAS, RIAC issued a Request for Proposals (RFP) in March 2006 for Oracle Migration and Systems Integration services and conducted a selection process pursuant to RIAC's Procurement Rules; and

WHEREAS, a Selection Committee was formed to evaluate the responses to the RFP; and

WHEREAS, the Selection Committee received two proposals and recommends GCR & Associates, Inc. to provide these; and

WHEREAS, funding for this project is included in the proposed Fiscal Year 2007 Capital Improvement Program (CIP).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to execute a Professional Services Agreement with GCR & Associates, Inc. to provide consulting services for the Oracle 11i Migration and Systems

Integration project in an amount not to exceed \$606,474 plus reimbursable expenses.

(d) Consideration of and Action Upon Amending and Updating the Rules and Regulations for Gound Transportation at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is authorized under R.I. Gen. Laws § 1-2-1.1 to regulate vehicular traffic accessing its airport facilities including, without limitation, T. F. Green State Airport (Airport); and

WHEREAS, RIAC has existing Rules and Regulations for Ground Transportation at T.F. Green Airport (Ground Transportation Regulations); and

WHEREAS, in conjunction with the approved and ongoing Intermodal Project, RIAC's has contractual obligations under the Amended and Restated Concession and Lease Agreements (Concession Agreement) with the car rental agencies doing business at the Airport to update and/or amend the Ground Transportation Regulations; and

WHEREAS, the amendments necessitated by the Concession Agreement include:

- require that, commencing with the date of the operational opening of**

the Warwick Intermodal Station, all rental car companies must pick up and drop off their Airport customers only at the Warwick Intermodal Station (Section 7.2.1);

- prohibit rental car companies from making arrangements for their customers to be picked up or dropped off at the Airport, whether by valet, shuttle, or Courtesy Vehicle, at any location other than the Warwick Intermodal Station;**

- provide that rental car companies may operate premium service only under certain conditions and with certain potential penalties (Section 7.2.3);**

- provide that rental car companies may drop off and pick up customers with disabilities only in a designated area (Section 7.2.4);**

- to provide that any rental car company, prior to the date of the operational opening of the Warwick Intermodal Station, may impose the CFCs on all customers who directly or indirectly use the Airport, including customers who previously fell within the “local market exception.”**

WHEREAS, RIAC has clarified and updated the Ground Transportation Regulations with respect to access fees to ensure consistency with current national and RIAC practices that are permitted by existing concession and access contracts or permitted

by the R.I. General Laws; and

WHEREAS, RIAC has reorganized and reworded provisions to ensure the clarity of Ground Transportation Regulations; and

WHEREAS, a copy of the revised and updated Ground Transportation Regulations are attached and have been presented to this Committee for review.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby recommends that the Rules and Regulations for Ground Transportation at T. F. Green State Airport be approved in substantially the form presented at this Committee meeting.

7. Compensation Committee Report:

Mr. Sangster reported that the Committee had met on May 31, 2006 and again prior to the Board Meeting to discuss ongoing negotiations of a new Collective Bargaining Agreement. Mr. Sangster noted that there will be further discussion of the negotiations in Executive Session.

8. Executive Session:

(a) Discussion Related to Collective Bargaining – R.I.G.L. §

42-46-5(a)(2).

(b) Discussion Related to Potential and Pending Litigation (Parking, Zisiades, Costa) - R.I.G.L. § 42-46-5(a)(2).

At approximately 4:30 p.m., a motion was made by Mr. Forte and seconded by Mr. Sangster to go into Executive Session. By the following vote, the motion was passed unanimously.

YEAS: James Rosati

James Forte

Robert Sangster

Kathleen Hittner, M.D.

NAYS: None

ABSTAIN: None

At approximately 5:36 p.m., a motion was made by Dr. Hittner to reconvene to the Open Session. The motion was seconded by Mr. Sangster. The motion was passed unanimously.

9. Future Meetings:

The next meeting will be held on Wednesday, July 19, 2006 at 4:00 p.m., in the Conference Room at 2220 South County Trail, East

Greenwich, Rhode Island.

10. Adjournment:

Mr. Sangster moved to adjourn at approximately 5:37 p.m. Dr. Hittner seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

**James V. Rosati, Chairman
Rhode Island Airport Corporation**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING
JUNE 21, 2006**

NAME	AFFILIATION
-------------	--------------------

Patti Goldstein	RIAC
------------------------	-------------

Mel Einhorn RIAC

Doug Dansereau RIAC

Brenda Pope RIAC

Billy Cox RIAC

Jason Doyle RIAC

Liberty Luciano RIAC

Robert Goff New England Parking

**MINUTES OF THE EXECUTIVE SESSION
OF THE RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING ON JUNE 21, 2006**

1. At approximately 4:30 p.m., a motion was made by Mr. Forte and seconded by Mr. Sangster to go into Executive Session. The motion was passed unanimously.

2. Board Members and Corporation Personnel discussed the negotiations for the collective bargaining agreement.

3. Mr. Brewer gave an update on pending litigation related to Zisiades and Costa.

4. Mr. Schattle gave an update on an account receivables issue.

5. Mr. Licht and Mr. Frazier gave an update on pending litigation in relation to parking operations at T. F. Green Airport.

At approximately 5:36 p.m., a motion was made by Dr. Hittner to reconvene to the Open Session. The motion was seconded by Mr. Sangster. By the following roll call vote the motion was passed unanimously.

YEAS: James Rosati

James Forte

Robert Sangster

Kathleen Hittner, M.D.

NAYS: None

ABSTAIN: None

Respectfully submitted,

James V. Rosati, Chairman
Rhode Island Airport Corporation